

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:

COMPUTE NORTH HOLDINGS, INC.,
et. al.,¹

Debtors.

Case No. 22-90273

CHAPTER 11
(Jointly Administered)

Re: Docket Nos. 256 and 510 and 511

NEBRASKA PUBLIC POWER DISTRICT'S OBJECTION TO ADEQUATE ASSURANCE
OF FUTURE PERFORMANCE BY THE SUCCESSFUL BIDDER

Comes now, Nebraska Public Power District ("NPPD"), an interested party, and hereby objects to the Adequate Assurance of Future Performance by the Successful Bidder as listed by the Debtors in their Notice of Selected Target Contracts filed on November 19, 2022 (ECF #510) ("Selection Notice"), the Notice of Successful Bidder for Certain Assets filed on November 19, 2022 (ECF #511) (the "Bidder Notice") which are both associated with the Debtors' Bidding Procedures Order issued by the Bankruptcy Court (the "Court") on October 24, 2022 (ECF #256). In support of its said Objection, NPPD states and alleges as follows:

1. NPPD is a publicly owned utility and political subdivision of the State of Nebraska. NPPD's headquarters is located in Columbus, Platte County, Nebraska.
2. The Debtors filed their respective Chapter 11 bankruptcy proceedings in *the United State Bankruptcy Court for the Southern District of Texas* (Houston Division) (hereinafter referred as the "Court") on or about September 22, 2022.
3. The Debtors filed their Selection Notice with the Court on November 19, 2022 (ECF #510).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors' service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.

4. The Debtors' Selection Notice lists two contracts, which is NPPD is an alleged party. The first contract listed is the Transmission Facilities Construction Agreement at NPPD's Minden Substation dated February 17, 2022 (the "Construction Agreement") and the second contract is the Agreement for EDR Electric Service between Compute North NE05, LLC and Southern Public Power District and Nebraska Public Power District, dated October 1, 2021 (the "EDR Agreement").

5. NPPD has filed objections to the Debtors Assumption and Assignment of the Construction Contract and EDR Contract. NPPD's objections can be found at ECF #369 filed on November 1, 2022, and ECF #502 filed November 17, 2022 (the "Objections"). NPPD reserves all its arguments and positions stated in both of its Objections.

11. The Section Notice states that Foundry Digital, LLC ("FD") intends to take assignment of the Construction Agreement and the EDR Agreement from the Debtor, CN Minden, LLC ("CN Minden").

12. If the Court finds that the Construction Agreement is assignable which NPPD has contested in its Objections, then the Debtors and FD have not provided adequate assurance of future performance of the Construction Agreement. Specifically, the Debtors and FD have not: (a) provided to NPPD proof that the Security obligation in the Construction Agreement will be maintained as required by the agreement; and (b) provided to NPPD that FD will be able to construct the facility contemplated in the Construction Agreement to "Full Build Out Conditions."

13. If the Court finds that the EDR Agreement is assignable which NPPD has contested in its Objections, then the Debtors and FD have not provided adequate assurance of future performance of the EDR Agreement. Specifically, the Debtors and FD have not provided NPPD assurance that the assignment of the EDR Agreement maintains the effectiveness of the EDR Agreement with the state or any political subdivision to provide an economic development project.

14. NPPD reserves the right to further amend this Objection to assert any additional arguments to the adequate assurance of future performance.

15. Based on all of the foregoing, NPPD enters its Objection.

WHEREFORE, NPPD prays this Court for an Order sustaining its objections filed herein and such other and further relief as the Court deems just and proper.

Dated this 21st day of November, 2022.

Respectfully submitted,

HALEY & OLSON, P.C.

By: /s/ Blake Rasner

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing Objection has been served on all parties entitled to service via this Court's electronic filing system and the Objection Notice Parties via email on November 21, 2022.

/s/ Blake Rasner

Blake Rasner